



Imperial Oil

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Ontario Securities Commission
SECRETARY'S OFFICE

Mr. John Stevenson
Secretary
Ontario Securities Commission
20 Queen Street West
Toronto, ON M5H 3S8

Dear John:

I am writing in response to your request to comment on the proposed Multilateral Instrument 52-111 - Reporting on Internal Control over Financial Reporting (MI 52-111).

Given the close market ties between Canada and the United States, Imperial Oil believes the harmonization of reporting standards between the two countries contributes to more consistent financial reporting information for users and streamlines the process for the preparation of financial reports. It is costly for preparers and confusing for users of financial reports to have different standards on the integrity and controls underlying the preparation of reported financial information. In this regard, we support the introduction of MI 52-111. We also support the exemption proposed for issuers that comply with section 404 of the Sarbanes-Oxley Act. The proposed exemption is a natural extension of other specific exemptions provided to Canadian United States Securities and Exchange Commission registrants.

However, we do not support the proposed exemption of MI 52-111 to Venture issuers. We believe that it is important to have one set of reporting standards for public companies, large or small. As you may be aware, we compete directly with small businesses in many parts of our operation and we believe for markets to work efficiently, there should be a level playing field for all public companies, including the cost of preparing generally accepted accounting principles financial statements. Also, there is the practical issue of how to define small without being arbitrary. As an investor, I see a strong case to be made for the same high standards of financial reporting and controls for all public companies using my equity. Making an exception to some public companies runs counter to that simple, basic concept.

Yours truly,